



# The Real Estate ANALYST

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Roy Wenzlick  
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values....Current Studies.... Surveys....Forecasts

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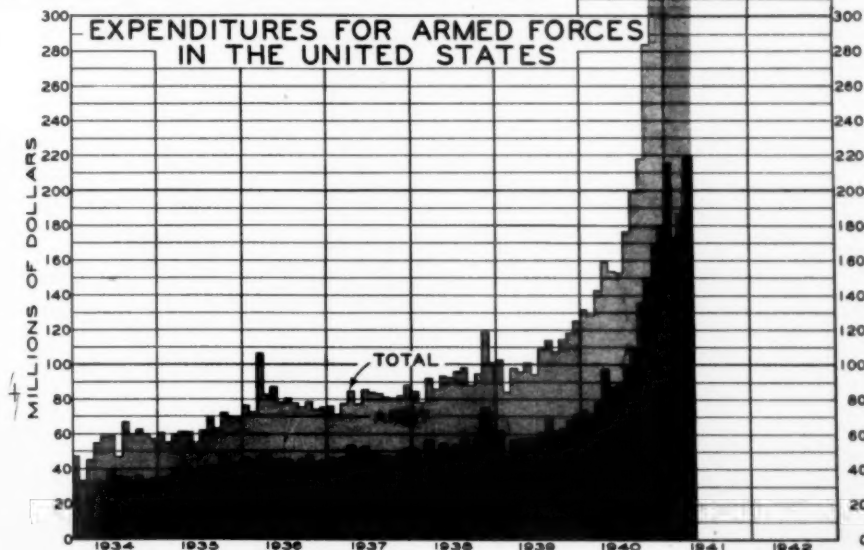
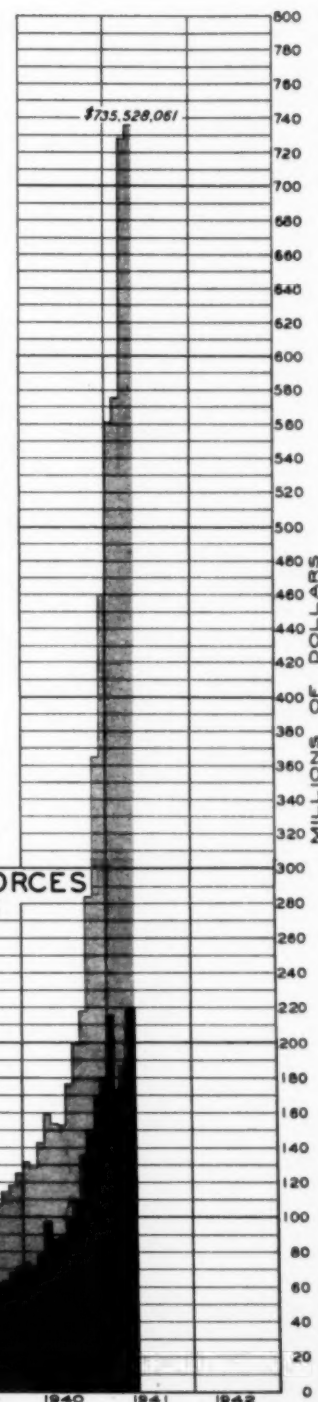
VOLUME X

## NATIONAL INCOME IS INCREASING BUT STANDARDS OF LIVING WILL DECLINE

**A**S family incomes increase during the next few years - unless the cost of living, plus taxes and more or less compulsory savings increase by an equal percentage - demand for commodities, services and for housing will increase as each family tries to advance its standard of living by the amount of its increased net earnings. This is a natural desire, but unfortunately one that cannot be successfully accomplished during the period of the emergency if our defense activities are to succeed.

The national spendable income will increase by approximately the amount of government borrowing during the next few years. This increase will come at a time when the production of non-defense items is being severely restricted. There will be more money in the hands of the consumer to buy a much smaller number of goods and services. An attempt to prevent inflation is being made in the very much higher taxes that will siphon off part of this excess purchasing power. In so far, however, as this excess spending power is not siphoned off it will inevitably result in higher prices as consumers bid against each other for the available and insufficient supply.

Putting it another way, it is self-evident that during the period of the defense emergency the average standards of living in the United States must decline as there will be a smaller amount of non-defense production to distribute. That this is contrary to the expectations of the mechanic who looks forward to the more abundant living which he thinks his high wages on defense projects will enable him to secure for his family does not alter the underlying fact that one cannot distribute more than is produced.



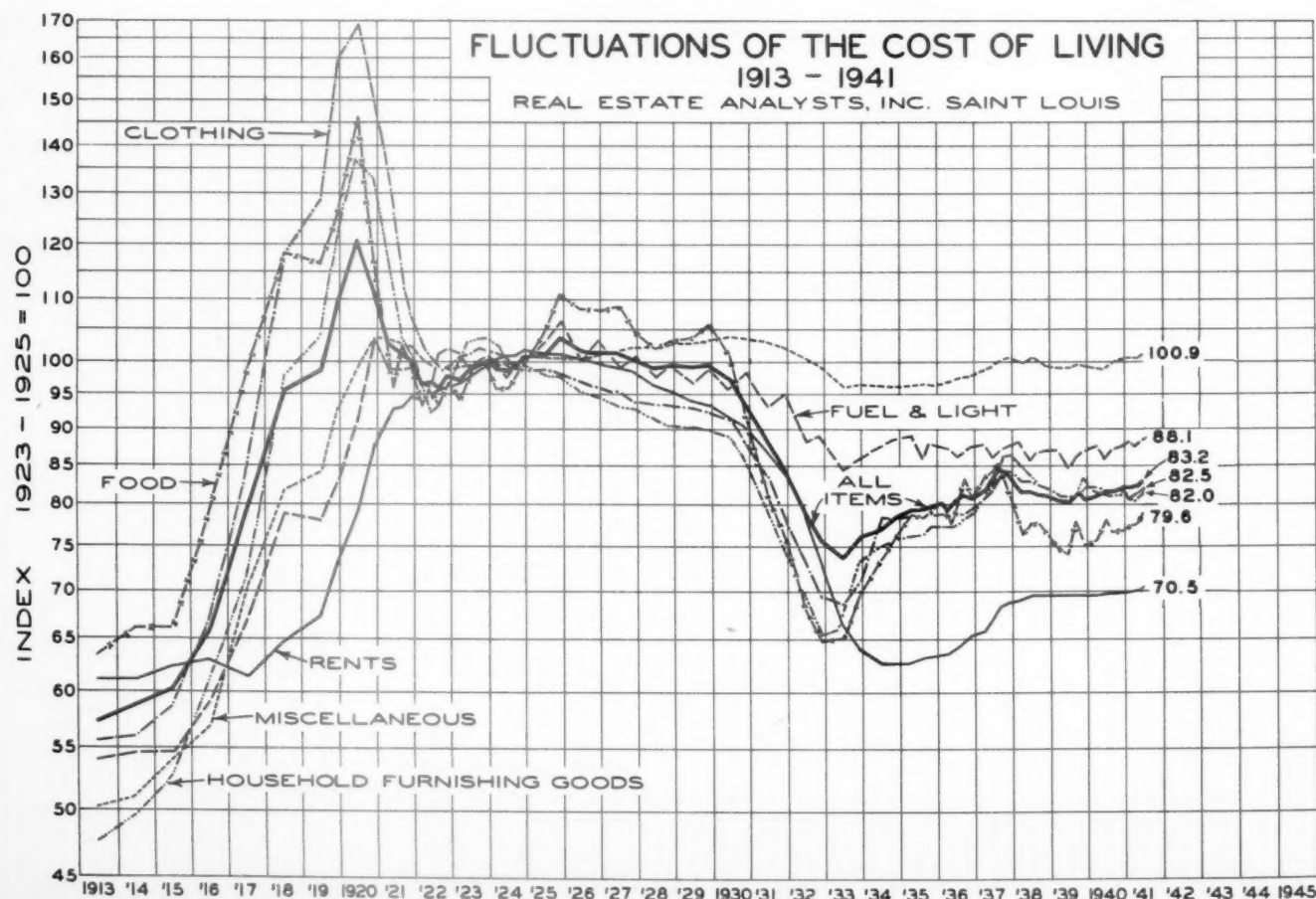
Rising and falling prices are the way in which demand adjusts itself to supply. If the supply of any commodity is short, its price rises until the increased price restricts the demand to the available supply. If the supply of any commodity is great, the price falls until the demand expands sufficiently to absorb it.

If rents were frozen at their present level, increased consumer incomes would result in an effort on the part of a great majority of families to move to better and more commodious houses. This alone would create a housing shortage in any community, even though no additional population were added to the city.

This moving up would be highly desirable if it could be accomplished, but it cannot be done during the emergency, as the very freezing of rents - which would seem to make it possible - would prevent the amount of building necessary to its accomplishment. Building costs have risen sharply and will continue to rise during the emergency because of other demands for labor and material. If rents are frozen, private building - which in the last 12 months supplied almost half a million new homes - will shrink to insignificant proportions. This has been the universal experience in communities that have tried it. Artificial stimulants must be resorted to, such as tax exemption - say for ten years - on all new construction, or government subsidies at a time when the government must spend all of its resources on defense.

It may be small consolation to the person who has had his rent raised to know that the increase in rents is serving an economic purpose in restricting the sudden demand for more and better quarters which would otherwise make the

(continued on page 140)



# RANKING OF METROPOLITAN AREAS ACCORDING TO RESIDENTIAL BUILDING VOLUME IN 1940

The table below shows the ranking of ninety-six leading metropolitan areas in the volume of residential building in 1940 in comparison with their ranking in population in 1940 at the last federal census. All building is expressed in terms of the total number of new family accommodations provided.

Rank	Metropolitan Area	Family Accommodations Built			Population 1940	Rank	Family Accommodations Built			Population 1940	Rank
		Total	One Family	Two Family			Total	One Family	Two Family		
1	New York-Northeastern N. J.	53,522	20,304	2,970	30,248	11,690,520	1,038	799	199	241,769	51
2	Los Angeles	36,277	27,972	2,008	6,297	2,904,596	942	816	62	287,698	45
3	Detroit	18,337	15,435	2,630	272	2,295,867	914	824	5	411,970	28
4	San Francisco-Oakland	13,129	11,189	1,066	874	1,428,525	883	765	44	129,367	88
5	Washington, D. C.	10,604	5,024	29	5,551	907,816	867	819	6	434,408	26
6	Chicago	10,066	9,586	323	157	4,499,126	825	723	12	141,370	82
7	Philadelphia	9,386	7,443	385	1,558	2,898,644	745	615	64	134,385	85
8	San Diego	7,429	6,190	312	927	256,368	730	721	6	156,018	75
9	Boston	5,986	4,292	337	1,357	2,350,514	728	586	72	127,308	89
10	Baltimore	5,740	2,480	416	2,844	1,046,692	706	414	12	431,575	27
11	Houston	5,262	4,004	874	384	510,397	682	591	59	341,663	37
12	Miami	5,218	2,753	405	2,060	250,537	652	614	26	306,194	44
13	Cleveland	5,064	4,086	241	737	1,214,943	651	559	71	126,724	90
14	Minneapolis - St. Paul	4,301	4,070	126	105	911,077	649	335	16	334,969	38
15	Cincinnati	4,224	2,582	777	678	789,309	637	627	6	188,554	66
16	Norfolk-Portsmouth-Newport N.	4,145	2,410	441	1,294	323,326	623	494	117	117,970	91
17	New Orleans	3,765	1,269	402	2,094	540,030	616	500	112	245,674	50
18	St. Louis	3,709	3,110	219	380	1,367,977	580	546	24	372,428	34
19	Dallas	3,549	2,802	484	263	376,548	572	466	96	173,367	70
20	Pittsburgh	3,466	2,857	113	496	1,994,060	562	524	38	209,873	54
21	Providence-Fall R.-N. Bedford	3,286	2,592	390	304	984,148	562	537	14	162,566	72
22	Atlanta	3,170	2,250	737	183	442,294	548	470	64	115,801	92
23	Hartford	2,983	2,257	146	580	502,193	491	435	39	170,979	71
24	San Antonio	2,966	1,582	1,338	46	319,010	469	147	14	196,340	61
25	Columbus	2,809	2,055	286	468	365,796	463	408	6	634,093	18
26	Denver	2,807	2,152	93	562	384,372	457	452	1	200,352	58
27	Birmingham	2,544	1,240	682	622	407,851	452	302	106	629,581	19
28	Seattle	2,335	2,114	78	143	452,639	439	369	7	325,142	40
29	Portland	2,143	1,667	40	436	406,406	422	414	5	157,098	74
30	Memphis	2,123	1,639	466	18	332,477	339	333	1	147,022	78
31	Tampa-St. Petersburg	2,104	1,734	236	134	209,693	328	174	18	188,974	64
32	Milwaukee	1,887	1,408	436	43	790,336	309	281	17	141,614	81
33	Jacksonville	1,754	1,595	92	67	195,619	304	287	14	144,822	80
34	Bridgeport	1,718	1,256	221	241	216,621	295	275	2	105,259	95
35	Davenport	1,601	1,396	103	102	174,995	250	248	2	151,829	76
36	Indianapolis	1,537	1,129	260	148	455,357	246	242	4	135,075	84
37	Akron	1,491	1,081	266	144	349,705	228	228	0	193,215	63
38	Sacramento	1,488	1,333	96	59	158,999	224	221	3	151,781	77
39	Dayton	1,460	1,156	196	108	271,513	216	184	23	134,039	86
40	Salt Lake City	1,370	1,286	8	76	204,488	203	175	18	100,096	96
41	Fort Worth	1,335	1,239	90	6	207,677	192	174	14	145,156	79
42	New Haven	1,316	794	101	421	308,228	175	74	5	200,128	59
43	Charleston, W. Va.	1,232	1,120	46	66	136,332	132	129	0	132,027	87
44	Buffalo-Niagara	1,179	1,027	137	15	857,719	121	119	2	258,352	47
45	Des Moines	1,178	978	2	198	183,973	100	98	2	175,355	68
46	Tulsa	1,145	1,092	21	32	188,562	95	93	0	114,094	93
47	Oklahoma City	1,109	997	104	8	221,229	31	31	0	197,128	60
48	Springfield-Holyoke	1,073	967	60	46	394,623	31	31	0		



## PRINCIPAL BAROMETERS OF AMERICAN BUSINESS

**T**HE twenty-four charts on pages 134-137 cover many of the basic barometers of business activity in the United States, including production, employment, wages, income, prices, sales, bank debits, industrial and real property financing, etc. All of the charts show the fluctuations for the period from June 1937 to March 1941 inclusive, with each chart drawn on the basis on which it is customarily computed and published.

As this country approaches the end of its first year of defense effort, the effect on employment and production is apparent from the charts. It is estimated that this country will spend on defense during 1941 about ten billion dollars, or  $12\frac{1}{2}\%$  of its national income. Germany, as far back as 1935, four years before the war started, was spending nearly 17% of its national income and during 1941 is spending at the rate of 60 to 70% of its income, while England during 1941 will spend between 40 and 50% of its national income.

In comparison with these countries now at war, our all out effort for defense seems puny. It does give an indication of the supreme sacrifice necessary if and as we change our status of a passive arsenal to an active belligerent on the side of the democracies.

While employment increases and wage scales rise, with resulting higher national income, it is interesting to notice that stock prices fail to rise but sag in a listless market, evidently in anticipation of smaller volumes of consumer goods and high taxes.

**INDUSTRIAL PRODUCTION** - This chart, drawn from the Federal Reserve index, indicates changes in the volume of industrial output. The April figure of 139 is a drop from the February and March figures.

**IRON AND STEEL OUTPUT** - The April figure, 160, is a 61% rise over the same month of a year ago. This production series, compiled by the Federal Reserve Board, is included in their index of general industrial production.

**FREIGHT CARLOADINGS** - 79, the April index, is a drop of almost ten per cent over the average for the first quarter of 1941. The index is computed by the Federal Reserve Board from data compiled by the Association of American Railroads.

**NEW CORPORATE FINANCING** - These figures, compiled by the Commercial and Financial Chronicle, have not appreciably increased over the level of the past three years.

**NON-AGRICULTURAL EMPLOYMENT** - The March 1941 total of 37,218,000 employed workers is the greatest number in any March since 1929. These estimates are prepared as a new series by the Bureau of Labor Statistics and show the number of gainfully employed workers in non-agricultural industries, including proprietors, casual workers and domestic servants. Excluded are military and naval personnel, WPA, NYA and CCC workers.

**BUILDING MATERIAL MANUFACTURING EMPLOYMENT** - There has been a 21% increase in this field of employment since twelve months ago; current figures are prepared from data published by the Bureau of Labor Statistics; prior to September 1939 the index was computed by the Federal Works Agency.

**MACHINE TOOL MANUFACTURING EMPLOYMENT** - The index for March, 307% of the 1923-25 level, is the highest figure ever recorded since the beginning of the series in 1923. Data are computed by the Federal Reserve Board from material compiled by the Bureau of Labor Statistics.

**AUTOMOBILE MANUFACTURING EMPLOYMENT** - The past six months have shown a 15% increase over the corresponding six months of a year ago. This series is computed by the Federal Reserve Board.

**AIRCRAFT MANUFACTURING EMPLOYMENT** - The March figure of 5505 indicates not only the tremendous increase of employment in this industry during the past two or three years of accelerated production

for American and British military use, but also the normal growth of what was in the 1923-25 base period an infant industry. In August 1939 the index was already at 1520. This series is also computed by the Federal Reserve Board.

**SHIPBUILDING EMPLOYMENT** - Employment in this industry, also directly affected by the defense program, has risen to 269 in March. This series is computed by the Federal Reserve Board.

**WAGES - INDUSTRIAL, CLERICAL, TRADE, AGRICULTURAL, AND OTHERS** - This index includes more occupations than the wage series described below. It covers hourly earnings in most occupations but weekly earnings in some. It is compiled from a number of sources and computed by the New York Federal Reserve Bank. Since the recession figure of 109 in 1938, the index has increased to 117 in March 1941.

**HOURLY WAGES IN 25 MANUFACTURING INDUSTRIES** - On the base of 1923 = 100, hourly wages in March 1941 were 142.1, an increase of 5% over March 1940. The average wage in dollars was .818. The National Industrial Conference Board computes this index, which covers such industries as the automobile, boot and shoe, iron and steel, lumber and millwork, meat packing and rubber.

**DEPARTMENT STORE SALES - DOLLAR VOLUME** - Over 400 stores, accounting for about one-half of the total business done in all department stores, are covered by this index. During the past twelve months there has been a rise of 16%, and the index is now 103% of the 1923-25 level. It is based on daily dollar sales and is compiled by the Federal Reserve Board.

**FACTORY SALES OF PASSENGER CARS AND TRUCKS** - Sales of new cars in 1941 continue to show an increase over 1940. According to the estimates of the Automobile Manufacturers Association sales in April 1941 were 458,000 units, a 6% increase over April 1940. The further curtailment in production and proposed increases in excise tax should soon materially reduce sales of autos.

**CHECK TRANSACTIONS IN 81 METROPOLITAN AREAS** - This index covers bank debits in all cities of 100,000 or over, except a few state capitals where figures have been distorted by government transactions during the past few years. Check transactions have been above normal for the past six months and in April were +13.9. The index is prepared by The Real Estate Analyst from data compiled by the Federal Reserve Board.

**GOVERNMENT SURPLUS OR DEFICIT** - The heavy expenditures by the government on defense projects have been partly offset by greater revenue during the recent past. The net deficit for the first four months of the calendar year 1941 is \$776,000,000 greater than for the same period in 1940.

**COST OF LIVING - WAGE EARNERS AND LOW SALARIED WORKERS** - Cost of living in representative cities increased between March and April 1941, and the current figure, 102.2 on the basis 1935-39 = 100, is 2% above the same month in 1940. The index is computed by the Bureau of Labor Statistics quarterly in 34 cities and monthly in 20 cities.

**INDUSTRIAL STOCK PRICES - DOW JONES AVERAGE 30 STOCKS** - The stock market is continuing its downward movement of the past year. Prices in May 1941 averaged about 20% below May of a year ago.

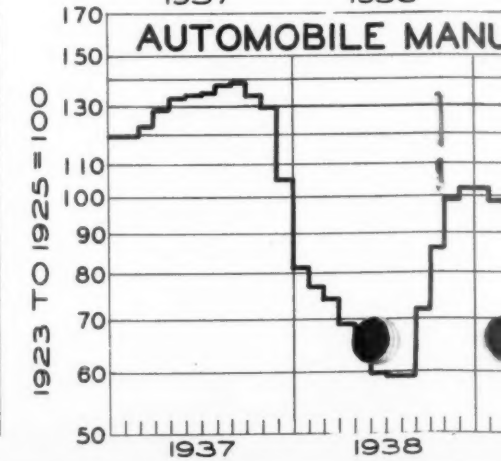
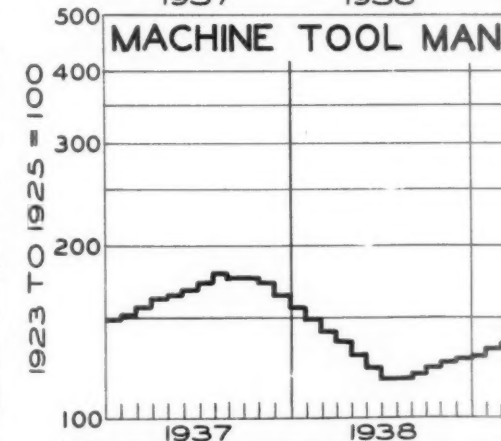
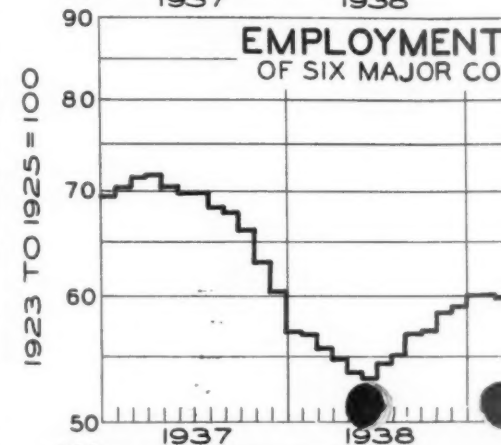
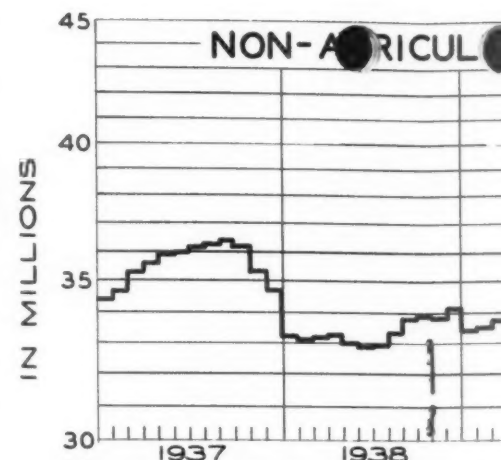
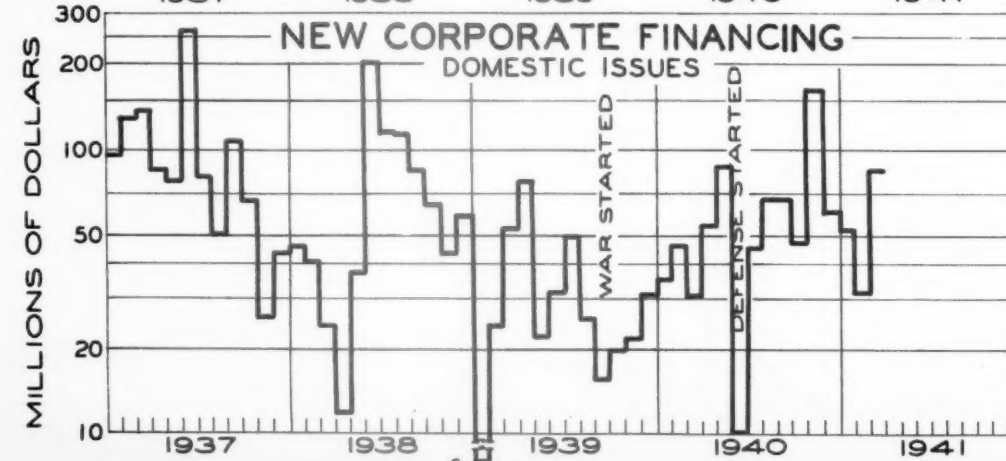
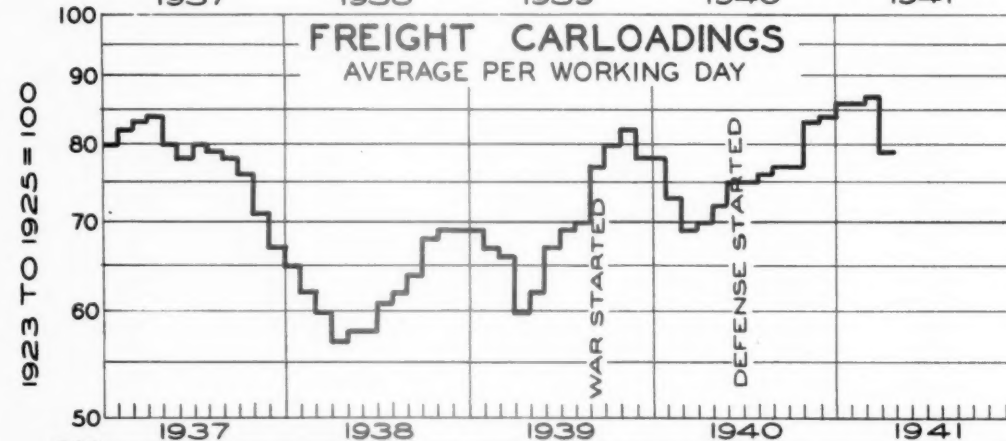
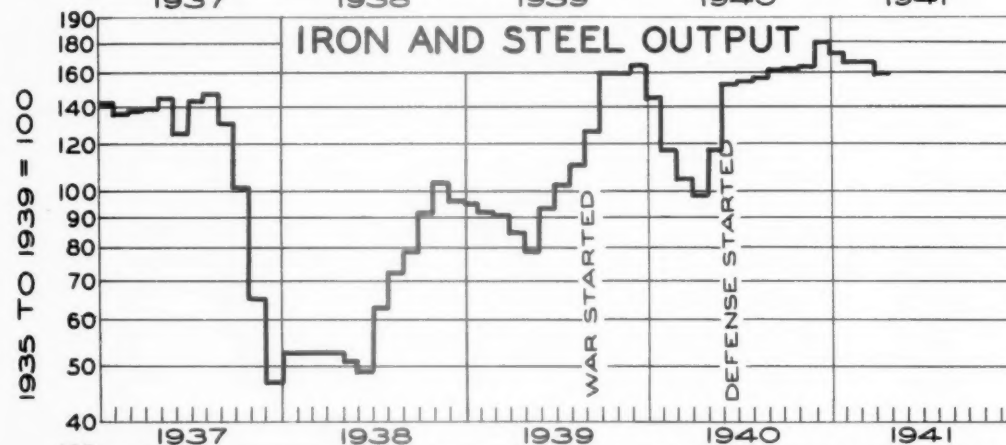
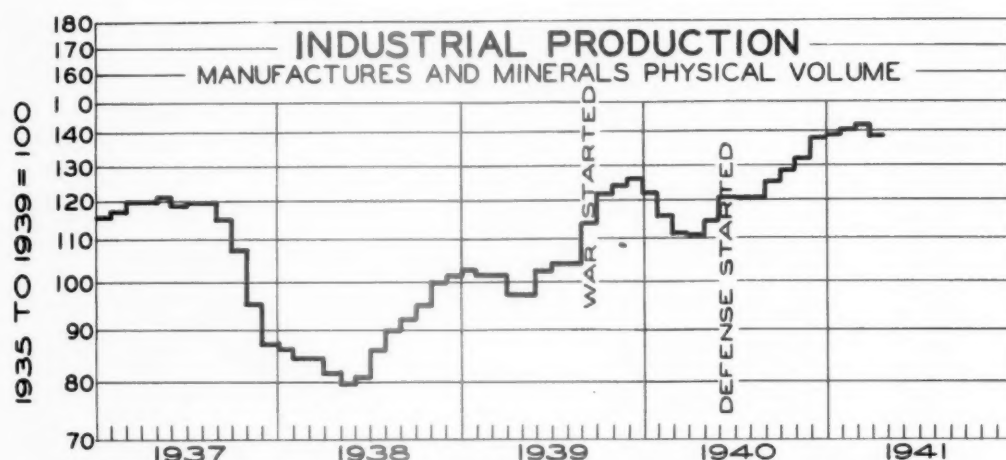
**WHOLESALE COMMODITY PRICES** - General commodity prices, on a base of 1926 = 100, were 84.6 for the second week in May 1941, an 8% increase over the same week in 1940. This series covers over 700 items and is prepared by the Bureau of Labor Statistics.

**WHOLESALE BUILDING MATERIAL PRICES** - These prices are now 8% above a year ago and .2% above the 1926 level. The index is part of the general commodities series described above.

**NEW RESIDENTIAL BUILDING** - The total number of new dwelling units built during the twelve month period May 1940 to April 1941 was a 20% increase over the previous corresponding twelve months. These data are charted as moving annual totals plotted on the last month of each twelve month period. Figures are prepared by The Real Estate Analyst from material computed by the Bureau of Labor Statistics.

**REAL ESTATE FORECLOSURES** - The March figure, 42.8 on the base 1935-39 = 100, is a decrease of 11% over a year ago. The index shows the estimated number of non-farm real estate foreclosures as prepared by the Federal Home Loan Bank Board.

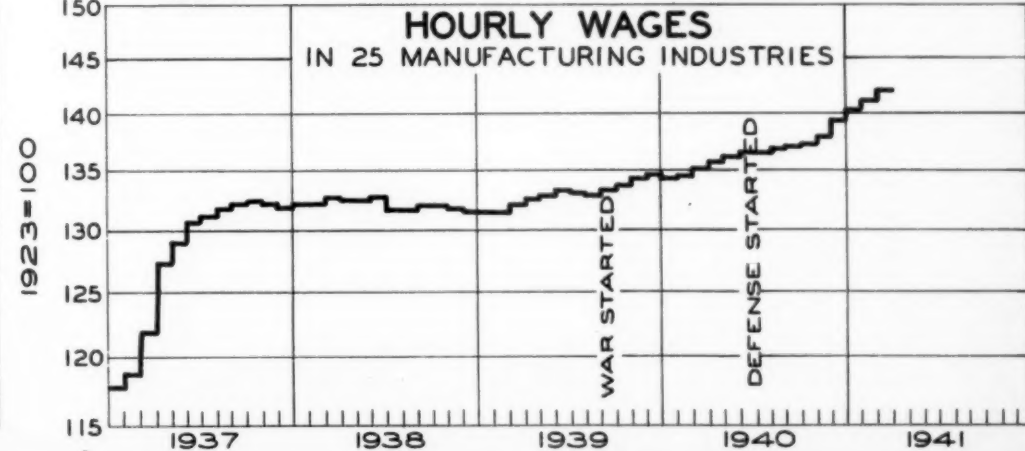
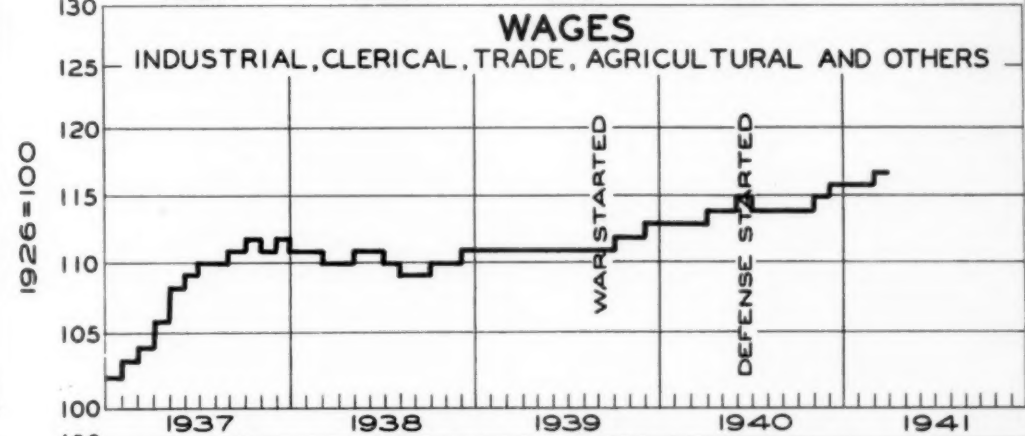
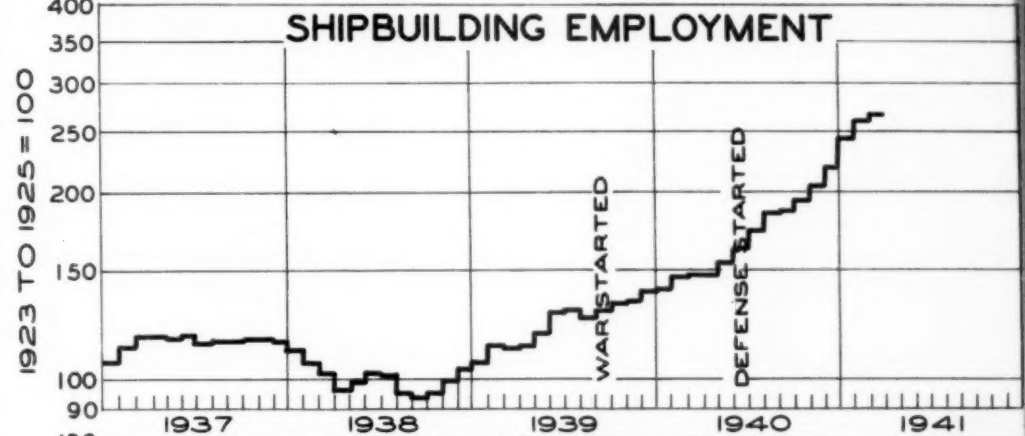
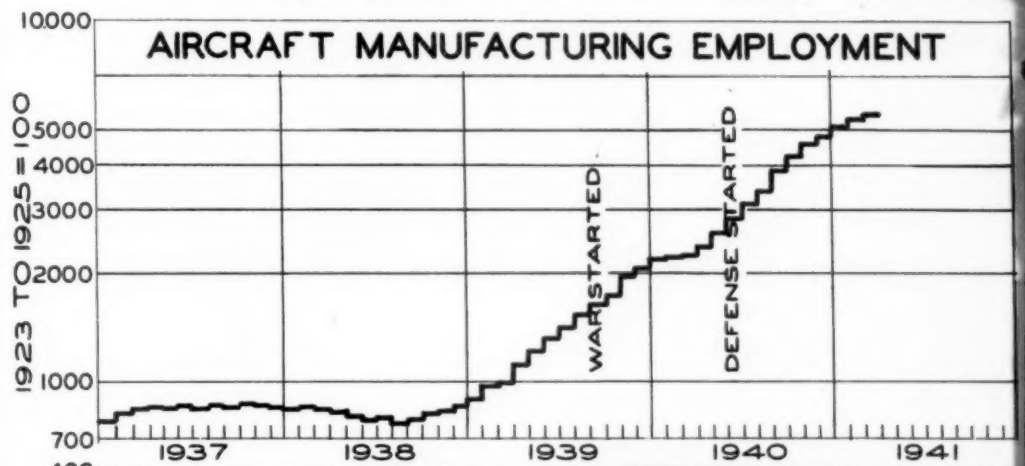
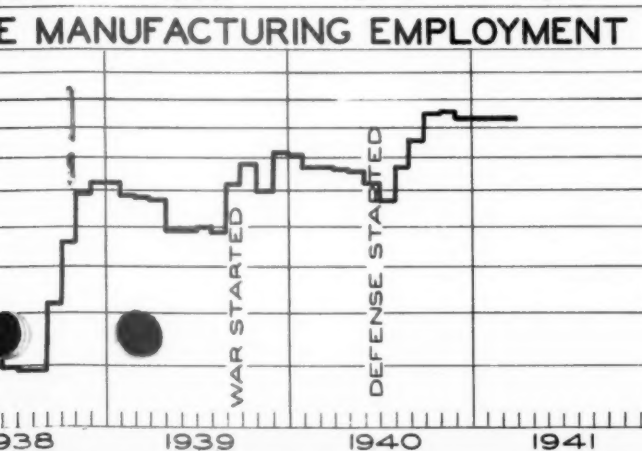
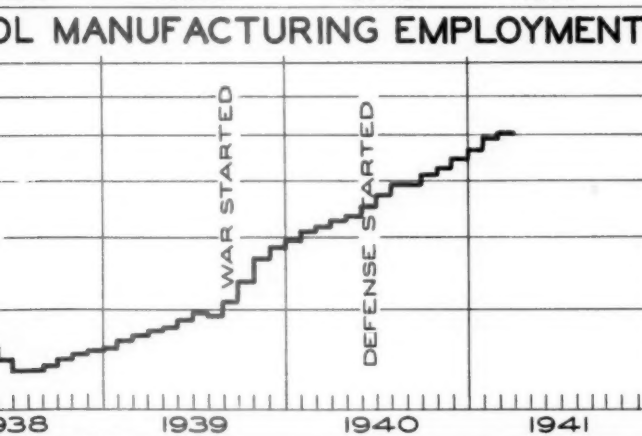
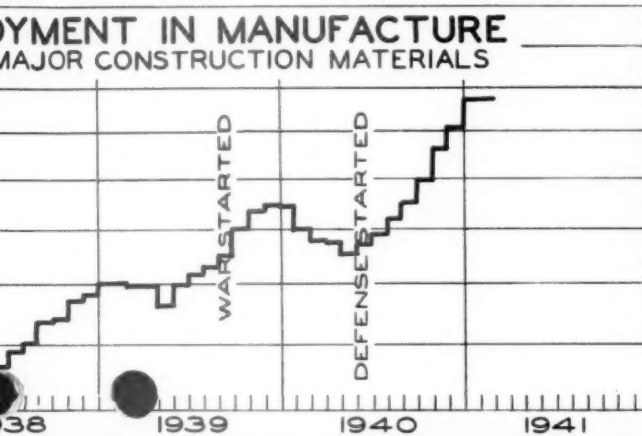
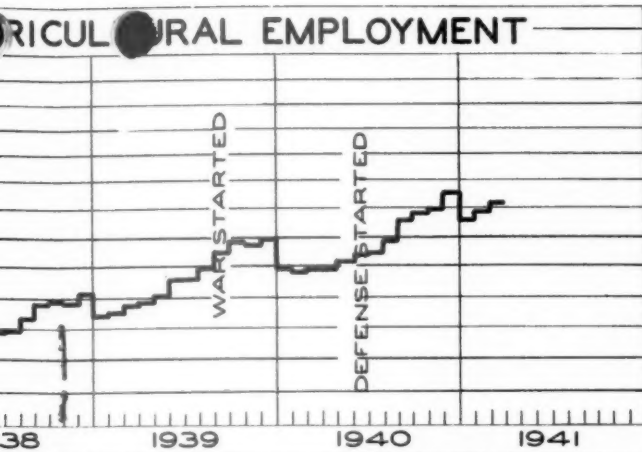
**REAL ESTATE MORTGAGES - NUMBER AND VALUE** - New mortgage financing during April 1941 was 48% of the 1926 level in number and 58.1% in value compared with 42.2% and 45.7% respectively in April 1940. These indexes are based on financing activity in representative metropolitan counties and are computed by The Real Estate Analyst.





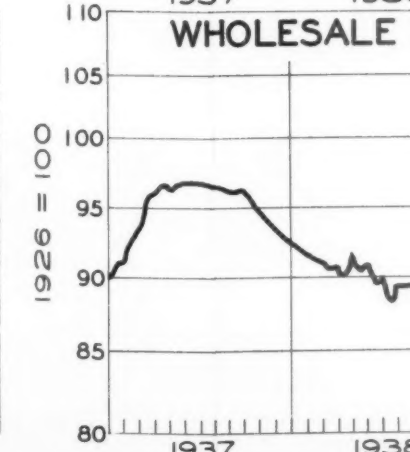
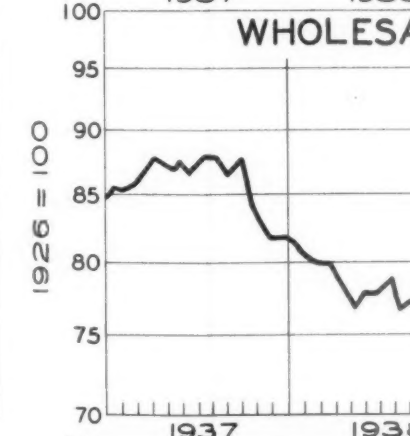
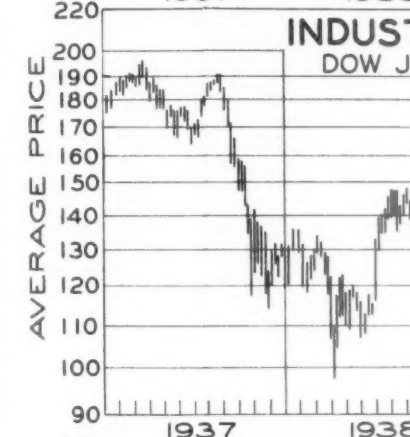
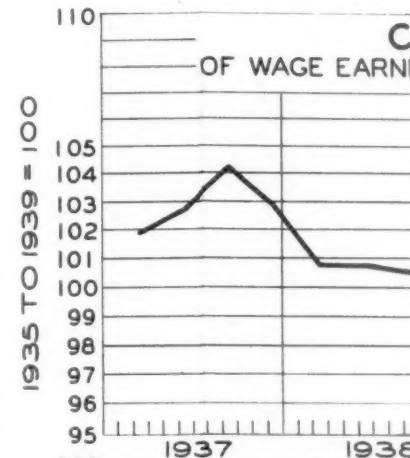
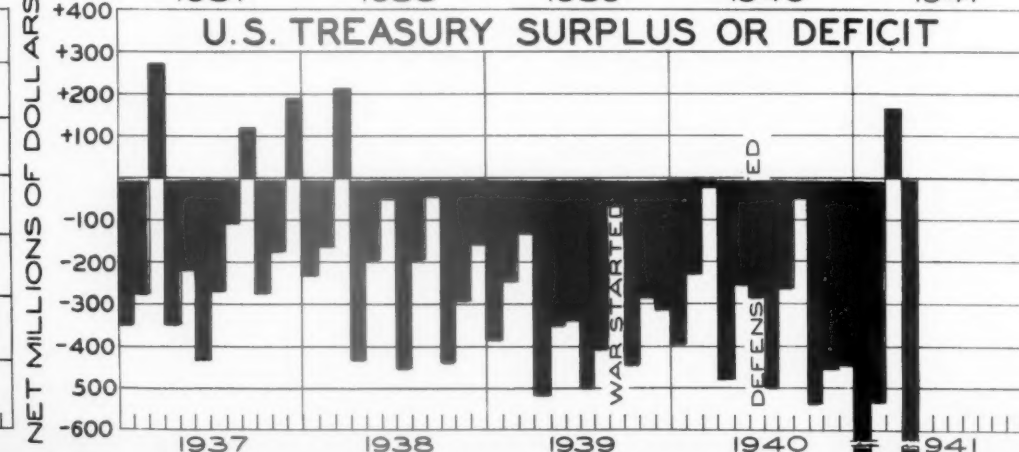
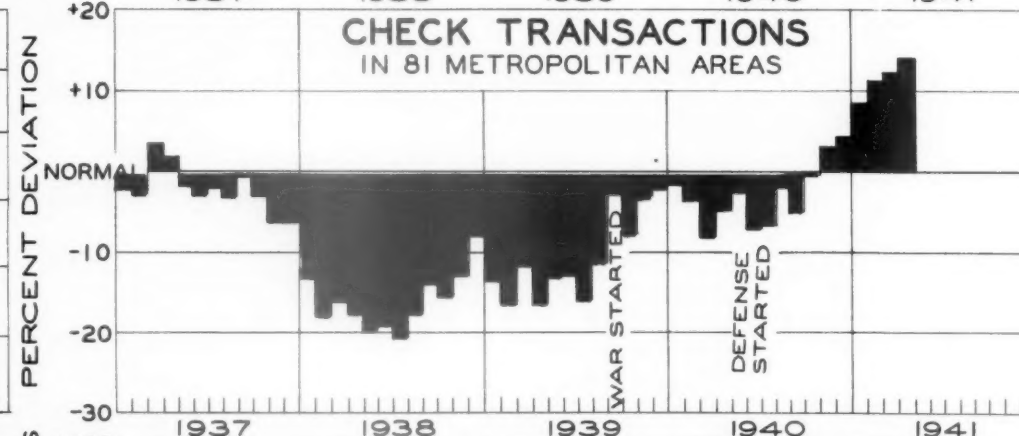
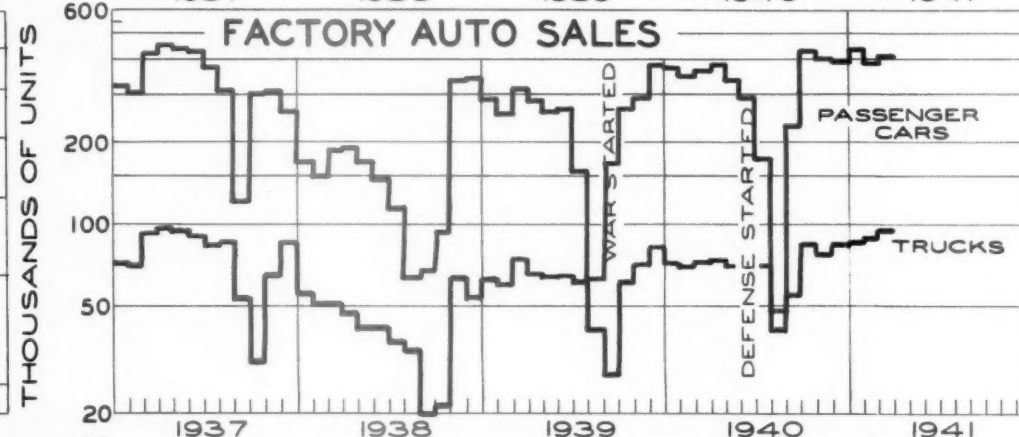
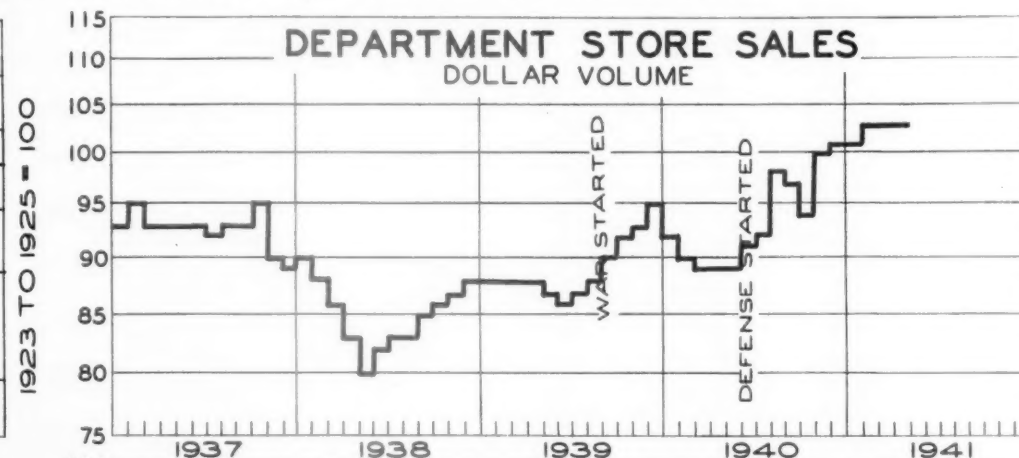
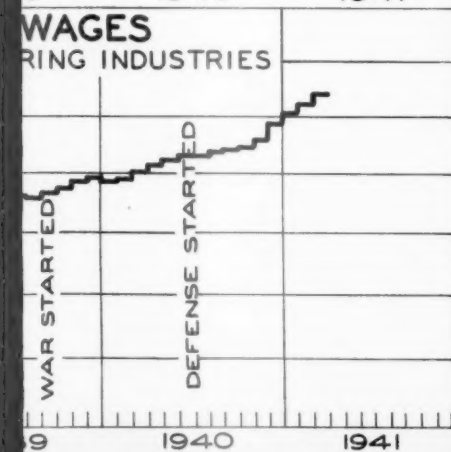
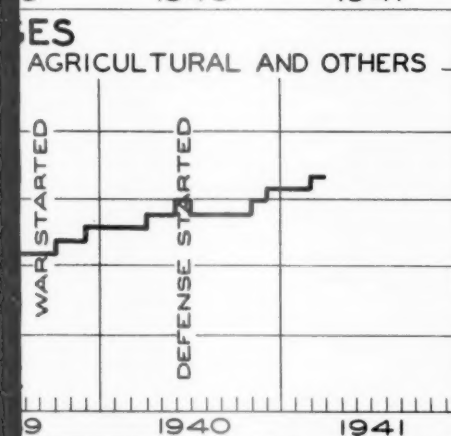
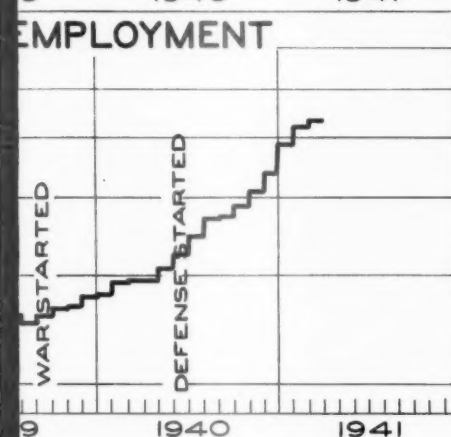
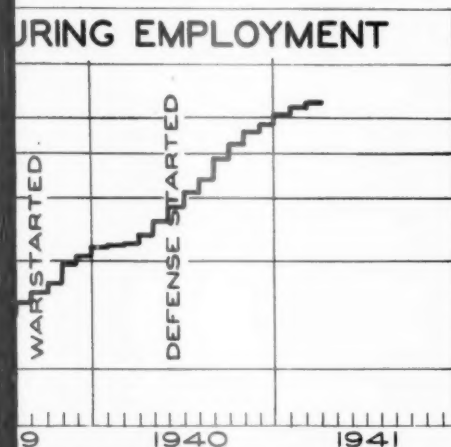
# PRINCIPAL BAROMETERS

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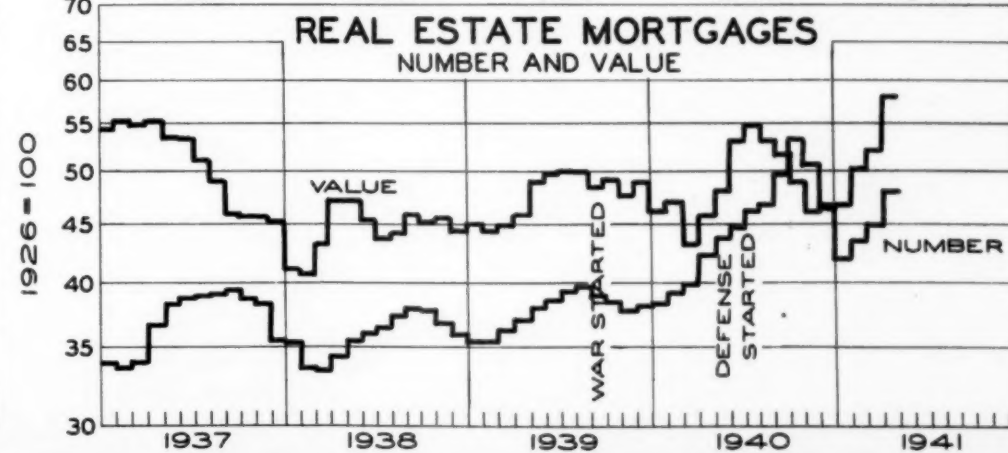
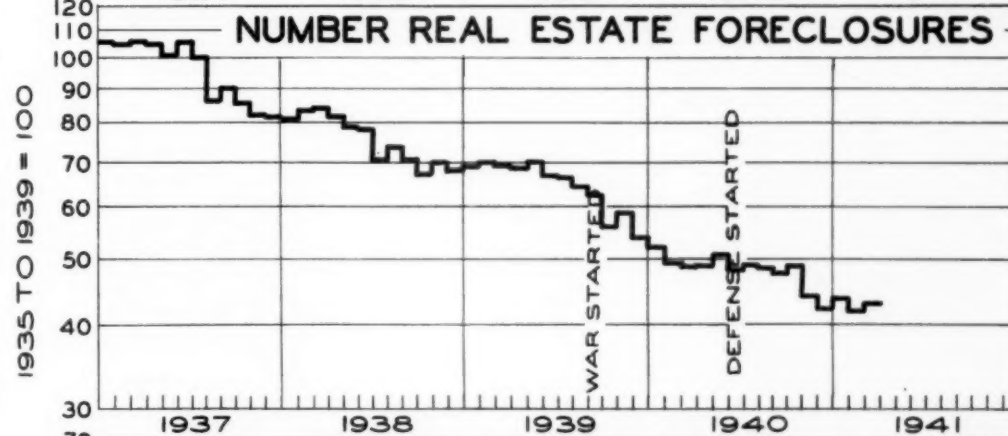
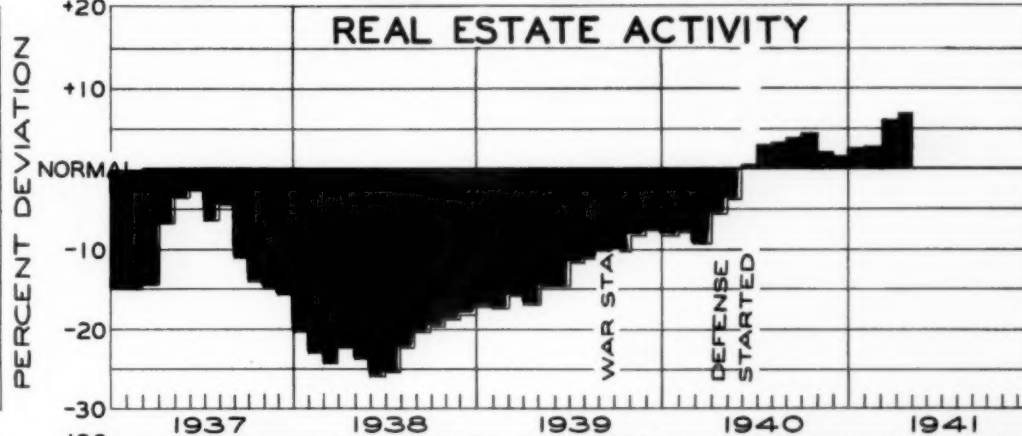
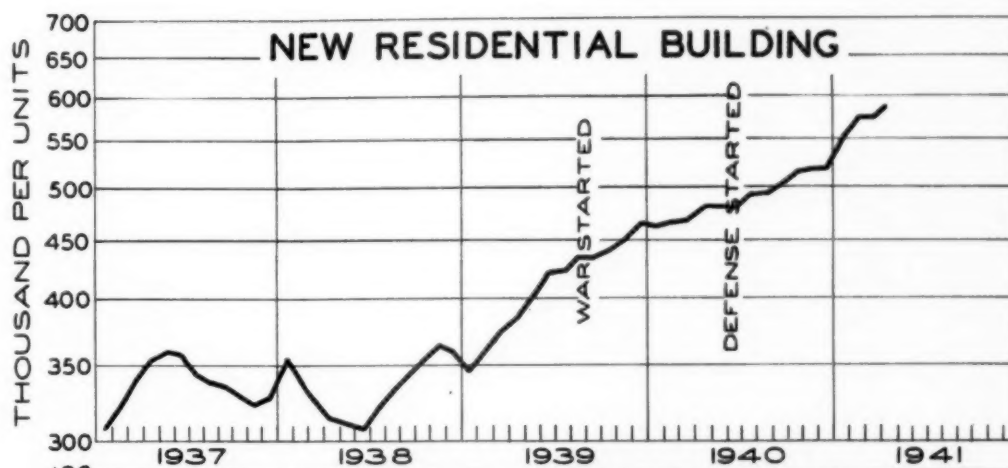
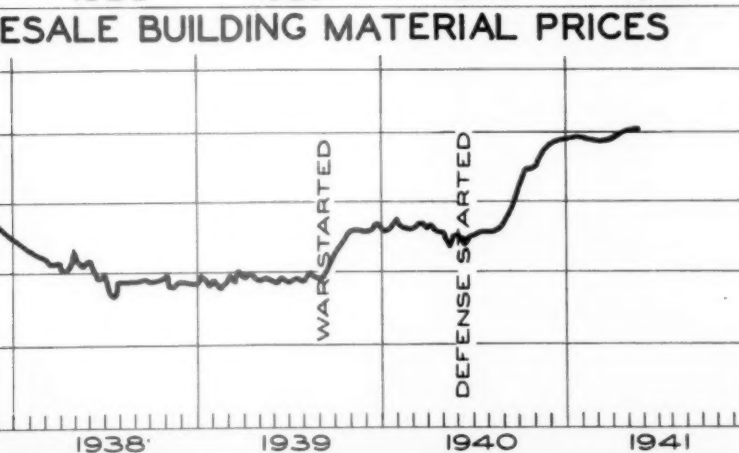
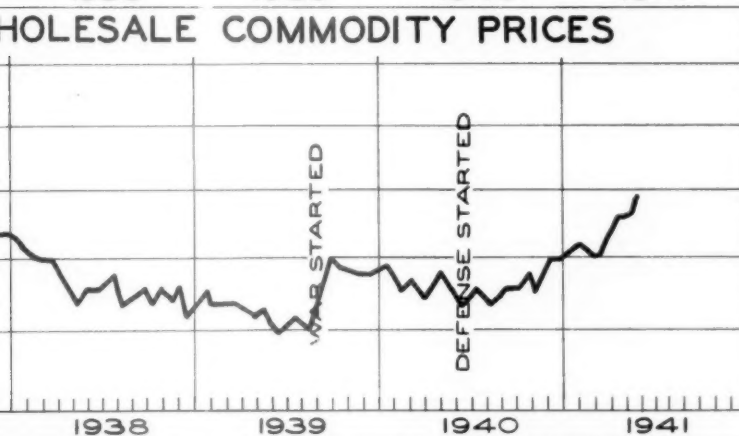
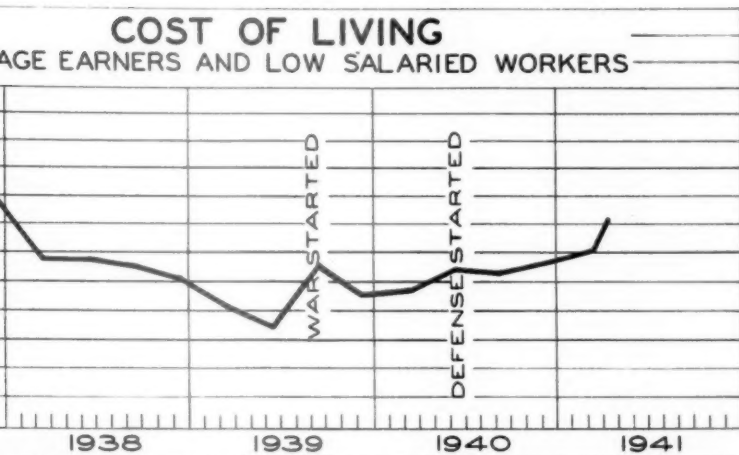


# BAROMETERS OF AMERICAN BUSINESS

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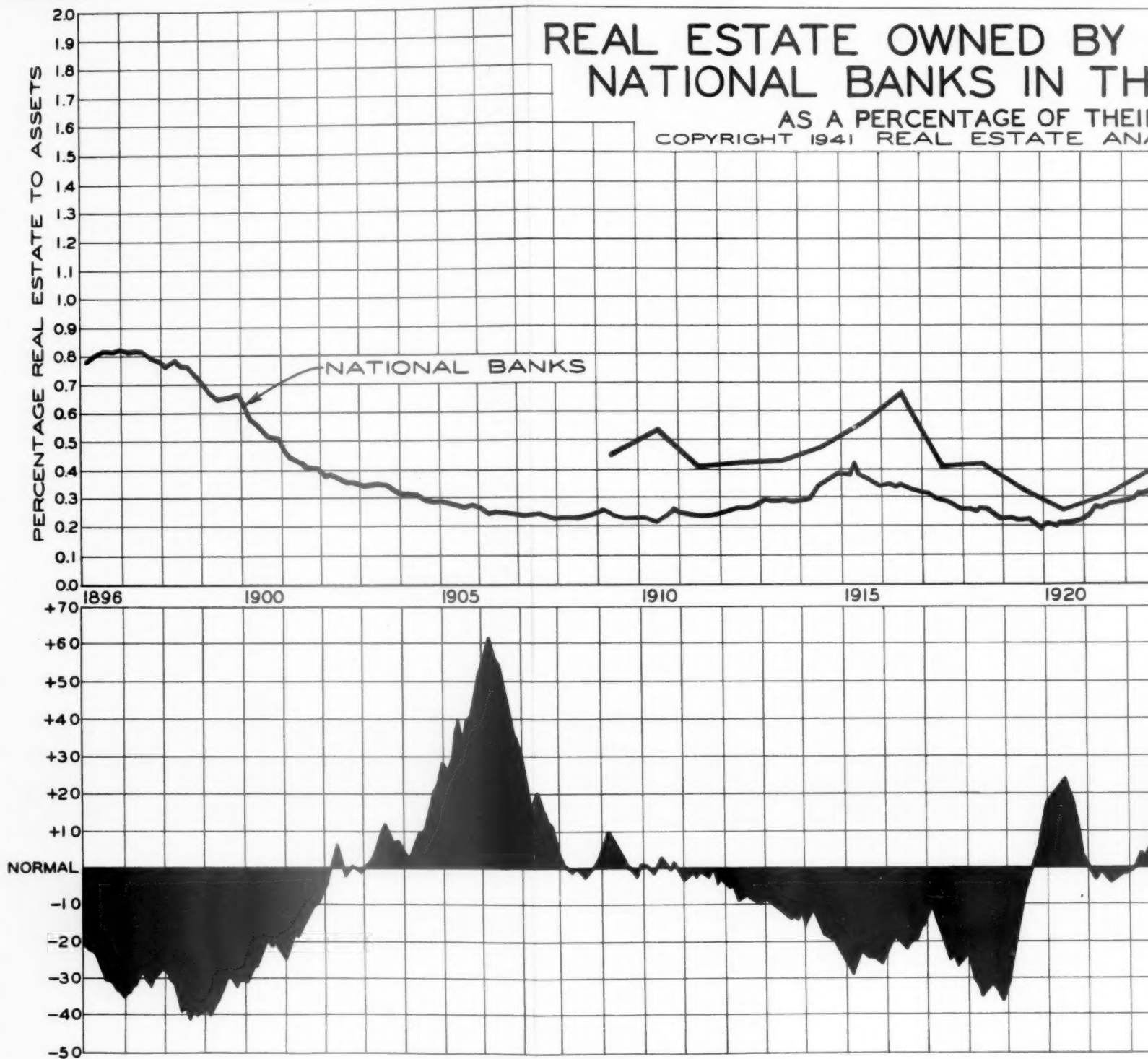






# REAL ESTATE OWNED BY NATIONAL BANKS IN THE

AS A PERCENTAGE OF THEIR ASSETS  
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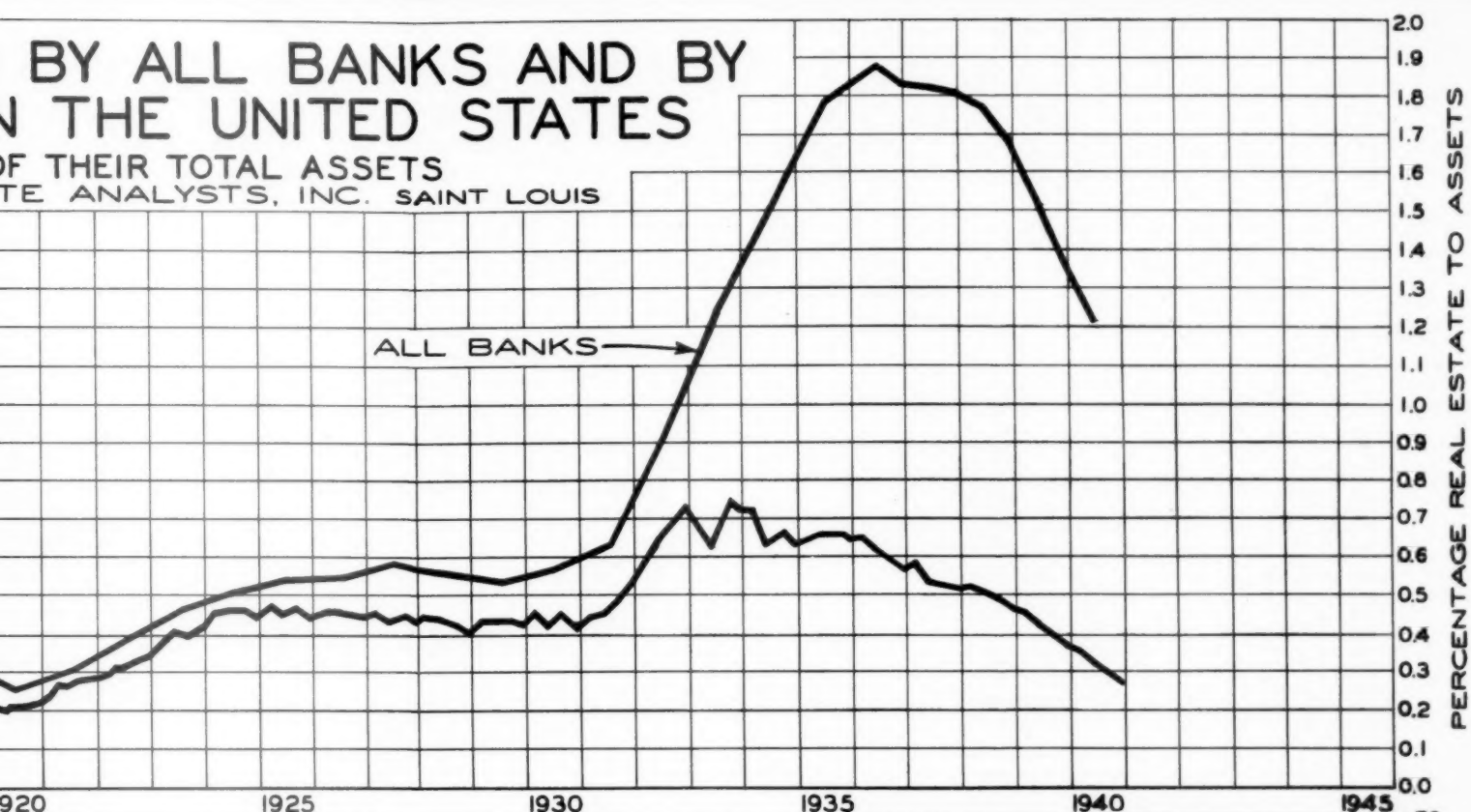


**T**HE chart above shows the percentage of real estate owned to total assets of all banks in the United States (black line) and of national banks (red line) from 1896 to 1940.

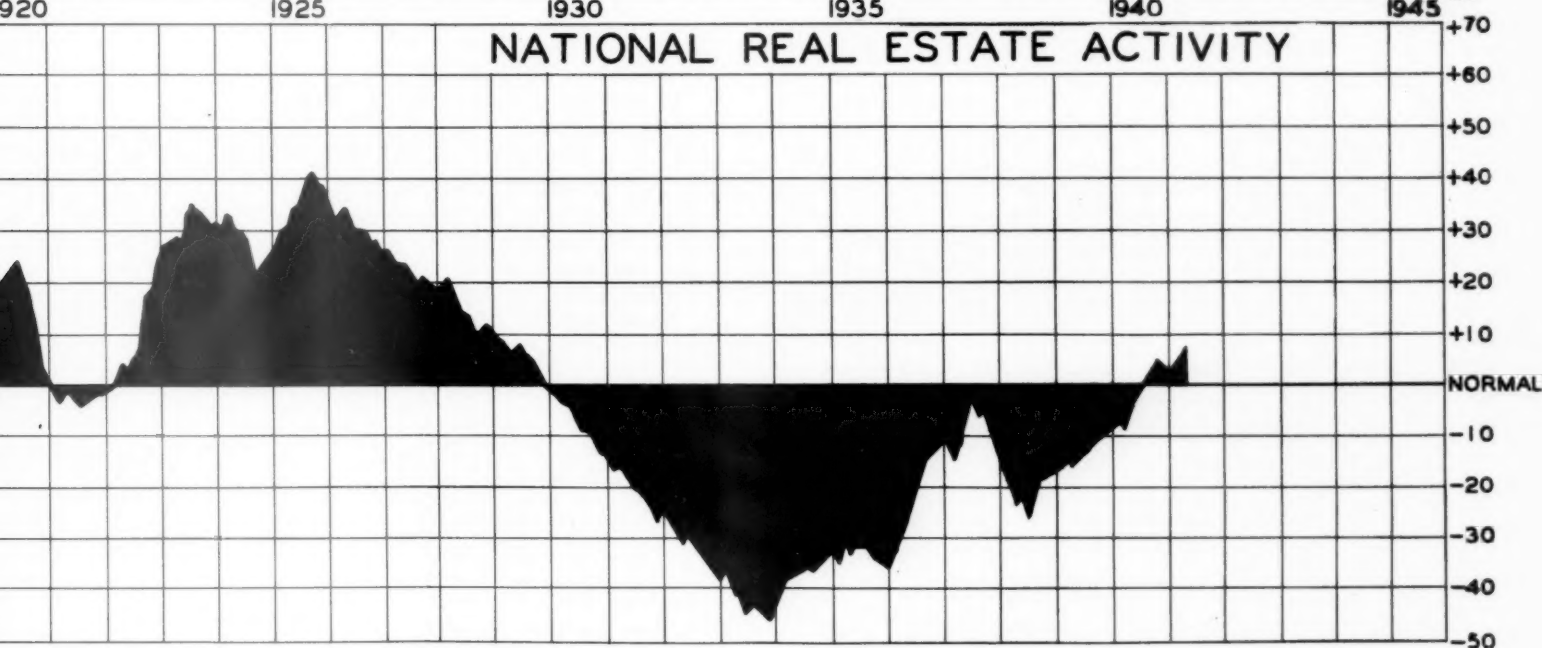
All banks include, in addition to the national banks, state banks, savings banks, private banks and loan and trust companies. They do not include building and loan associations, insurance companies or other mortgage lending institutions. The amount of real estate owned by banks as used in this study includes such real estate exclusive of banks' premises, furniture and fixtures. Total bank assets include gross assets of the banks without any deductions for liabilities.

# BY ALL BANKS AND BY N THE UNITED STATES

OF THEIR TOTAL ASSETS  
TE ANALYSTS, INC. SAINT LOUIS



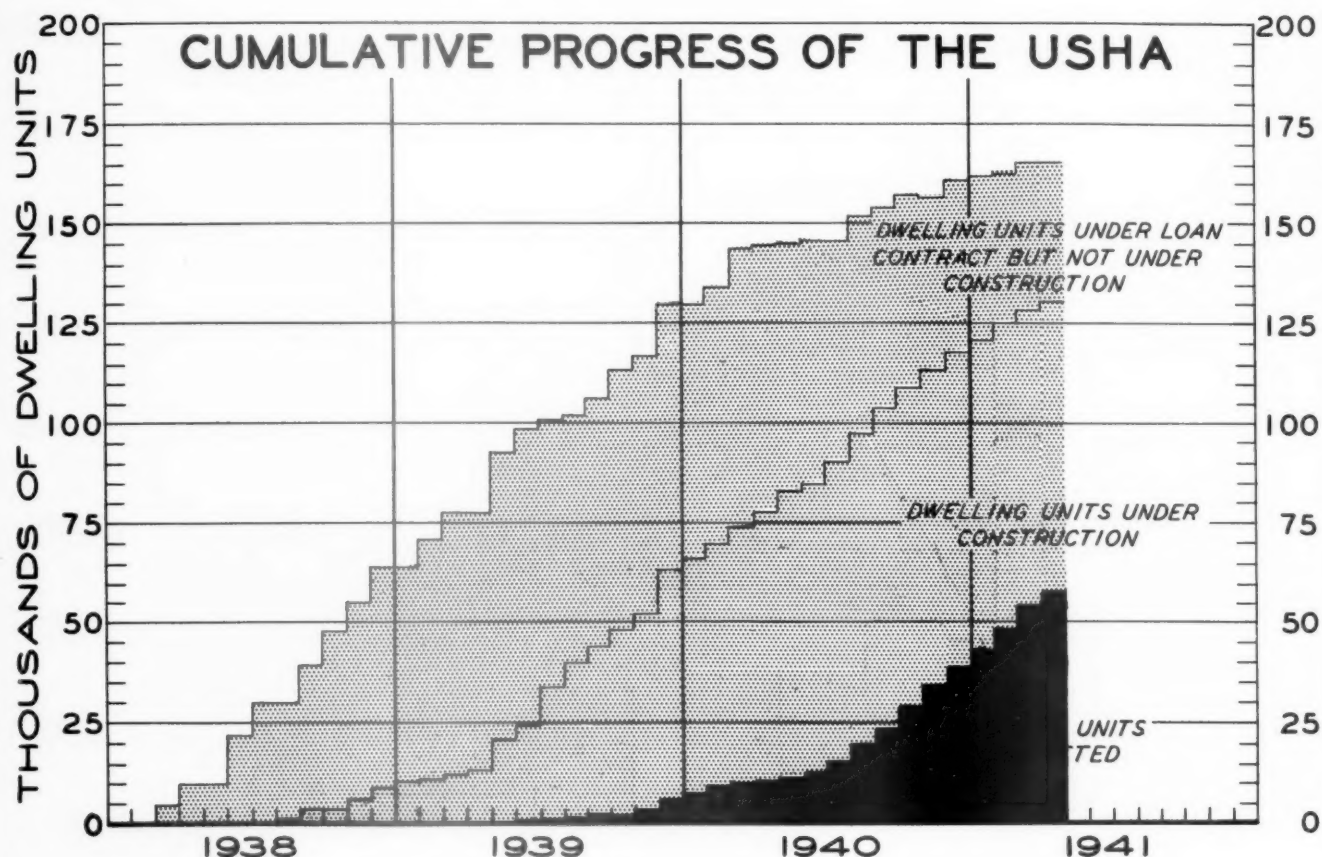
## NATIONAL REAL ESTATE ACTIVITY



The more stable relationship of real estate holdings to total assets for national banks is clearly shown by the chart. This relationship for all banks starts a rapid increase in the early thirties reaching a peak in 1936 when the percentage is nearly three times the percentage for national banks. It is interesting to note that the percentage of failures of all banks in 1933 was approximately three times the percentage of failure of national banks alone. On December 30, 1939, the percentage of real estate owned to net assets represented by capital stock, surplus and undivided profits was as follows:

National Banks-	- - - 4%
All Other Banks -	- - -20%
All Banks-	- - - -12%





### NATIONAL INCOME IS INCREASING BUT STANDARDS OF LIVING WILL DECLINE (continued from page 130)

housing shortage more severe, but such is actually the case.

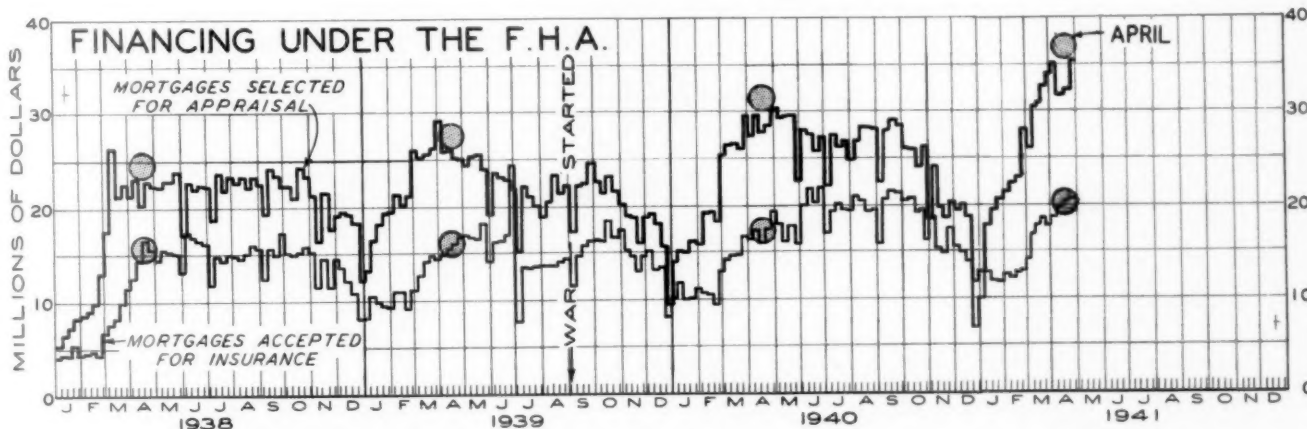
Rents are not high in most cities at the present time - either from the standpoint of the return they pay on the investment or in relation to the cost of other commodities and services. Let us look at the figures of the United States Bureau of Labor Statistics. The chart below shows the figures for the cost of living broken down by the principal groups since 1913. According to these figures, averaging the period 1923 - 1925 as 100, the cost of living at the present time is 83.3. Clothing is 80.8; food, 79.3; fuel and light, 88.1; and the miscellaneous items that go into the budget, 99.4. In contrast, as an item of the cost of living rent is only 70.0% of the 1923 - 1925 level. It will be noticed that rents have been the last to rise and it is to be expected that in the period of housing shortages they will advance at least to the average level of other elements in the cost of living.

It is natural to oppose an increase in rents after they have been on a depressed level for almost ten years, but the rise in our opinion is as inevitable as the rise in other items of the cost of living to a sufficient height to restrict the average standard of living to a level lower than that of 1940.

In 1941 it will appear as if this reasoning were wrong, since for a while spendable income will rise faster than prices. In 1942 and subsequent years prices, taxes and compulsory savings will, in our opinion, seriously restrict the average standard of living.

# THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

	1940						1941					
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Res.	Apr.	Res.	May
	Res.	Apr.	Res.	Apr.	Res.	Apr.	Res.	Apr.	Res.	Apr.	Res.	Apr.
National Index	\$8.52	\$11.81	\$8.50	\$11.83	\$8.45	\$11.80	\$8.44	\$11.80	\$8.47	\$11.80	\$8.50	\$11.80
Atlanta	8.14	11.02	8.14	11.03	8.07	11.15	8.04	11.17	8.03	11.16	8.06	11.18
Baltimore	7.47	10.32	7.41	10.39	7.30	10.31	7.28	10.33	7.30	10.39	7.53	10.46
Birmingham	6.52	9.89	6.49	9.93	6.47	9.96	6.47	9.96	6.58	9.96	6.57	10.02
Boston	8.40	14.91	8.36	14.99	8.32	14.90	8.35	14.79	8.30	14.76	8.36	14.62
Chicago	10.80	12.61	10.64	12.63	10.78	12.65	10.91	12.61	11.10	12.76	11.28	12.80
Cincinnati	9.78	12.90	9.70	12.90	9.69	12.93	9.73	13.00	9.75	13.11	9.91	13.10
Cleveland	9.85	12.75	9.81	12.81	9.75	12.89	9.76	12.97	9.81	12.85	9.90	12.95
Columbus	7.20	10.92	7.19	10.92	7.14	10.87	7.14	10.88	7.13	10.96	7.14	10.90
Denver	7.86	12.70	7.76	12.67	7.71	12.60	7.64	12.60	7.63	12.50	7.54	12.49
Detroit	9.13	11.76	9.10	11.79	9.08	11.75	9.04	11.76	9.19	11.76	9.36	11.80
Houston	8.28	10.76	8.20	10.70	8.05	10.70	8.04	10.63	7.98	10.56	7.91	10.41
Kansas City	6.20	7.15	6.16	7.16	6.10	7.15	6.09	7.15	6.06	7.18	6.11	7.15
Los Angeles	10.76	11.59	10.65	11.50	10.60	11.32	10.70	11.29	10.68	11.18	10.81	11.21
Milwaukee	9.12	10.60	9.07	10.64	8.96	10.70	8.93	10.66	8.96	10.70	8.96	10.71
Minneapolis	8.21	10.30	8.09	10.31	7.99	10.25	7.92	10.25	7.97	10.20	7.96	10.20
New Orleans	8.86	10.56	8.93	10.52	9.02	10.58	8.90	10.52	9.24	10.56	8.79	10.56
New York	12.69	19.60	12.58	19.54	12.56	19.48	12.53	19.30	12.54	19.21	12.40	19.10
Omaha	6.81	11.70	6.82	11.75	6.81	11.71	6.81	11.72	6.85	11.77	6.91	11.70
Philadelphia	7.20	14.11	7.20	14.09	7.13	14.08	7.13	14.05	7.08	13.98	7.06	13.99
Pittsburgh	9.31	12.11	9.32	12.00	9.24	11.75	9.22	11.70	9.24	11.82	9.29	11.90
Richmond	8.25	10.98	8.25	11.04	8.23	11.16	8.25	11.28	8.37	11.33	8.45	11.45
Saint Louis	8.23	10.63	8.13	10.63	8.04	10.60	7.99	10.69	8.08	10.72	8.14	10.79
Salt Lake City	7.84	11.09	7.72	10.99	7.76	10.91	7.75	10.94	7.81	10.91	7.86	10.87
San Francisco	9.76	13.09	9.75	13.07	9.75	13.00	9.73	13.01	9.70	13.09	9.76	13.02
Seattle	7.75	11.90	7.80	11.87	7.72	11.81	7.78	11.81	7.86	11.81	8.09	11.82
Tulsa	7.51		7.48		7.39		7.30		7.31		7.28	



## MORTGAGES SELECTED FOR APPRAISAL COMPARED WITH A YEAR AGO

1940

Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
-6%	+21%	+18%	+11%	+42%	+24%	+27%	+16%	+13%	+16%	+21%	+18%	+21%	+18%

## MORTGAGES ACCEPTED FOR INSURANCE COMPARED WITH A YEAR AGO

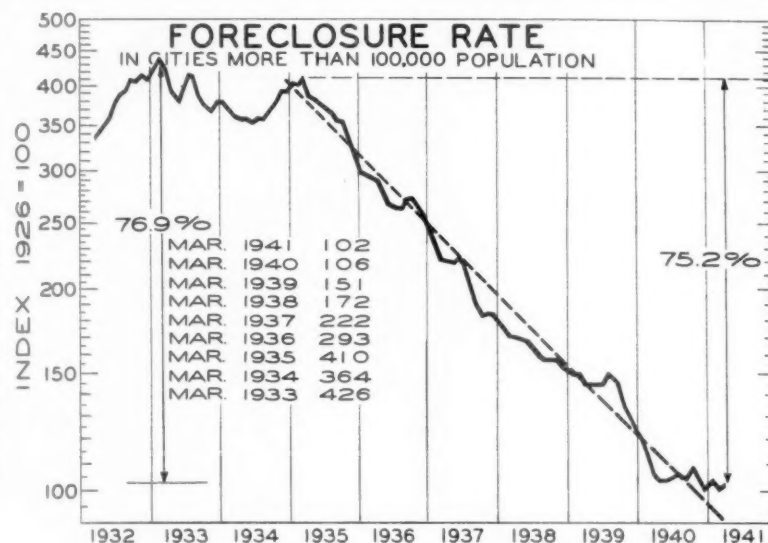
+1%	+18%	+9%	+2%	+67%	+58%	+37%	+19%	+15%	+7%	+12%	+16%	+19%	+15%
-----	------	-----	-----	------	------	------	------	------	-----	------	------	------	------

WITH increased income from defense activities and the relatively low monthly cost of owning a home under FHA financing, in spite of increased construction costs, residential construction volume during the past twelve month period is remaining about twenty per cent above the volume of the previous twelve month period.

URBAN foreclosures for March 1941, on a seasonally adjusted basis, showed a slight increase over February.

It will be noticed from the chart to the right that the foreclosure rate has shown relatively slight changes since the spring of 1940. While we anticipate that foreclosures will decrease still further, large percentage drops are no longer possible, as foreclosures have reached a very low level.

This chart is computed from basic figures that are gathered by the Home Owners' Loan Corporation.



## BUILDING COSTS OF A STANDARD SIX ROOM FRAME RESIDENCE BUILT IN ST. LOUIS

The chart on p. 197 of the August 1940 Real Estate Analyst shows the variations in the costs of materials, labor and overhead for a six room frame residence in St. Louis. Floor plans and a picture of the house are shown with the chart. Costs are grouped into four classifications of material, four of labor and three of overhead. A further breakdown of these groups is given in detail below. Columns of the table are numbered, and a brief description of the items included in

each is given in the paragraphs below. Paragraphs are numbered to correspond with the columns described. Building material costs are printed in black; the corresponding labor items are given in red. Overhead items - columns 13, 14, and 15 are also printed in black.

\*No labor items are shown in column 13, Building Hardware, as they have already been included in column 5, Mill Work.

### Group A:

(1) Mason Materials: Cement, sand, gravel, quick lime, hydrated lime, hard wall plaster, face and common brick, fire brick, flue lining. Labor: (2) Tile Materials: 4 1/2 x 4 1/2 wall tile, ceramic floor tile, cap and base. Labor:

### Group B:

(3) Unfinished Lumber: Columns, beams, floor and ceiling joists, interior and exterior studs, rafters, bracing, etc. Labor: (4) Finished Lumber: Sub-flooring, sheathing, beveled siding, finished floors, asphalt shingle roofing, roofing felt, tar paper, shutters, etc. Labor: (5) Mill Work: Windows, doors, trim, kitchen cabinet, stairs. Labor:

### Group C:

(6) Heating: Boiler, insulating jackets, fittings, tools, pipes, connections, valves and radiation. Labor: (7) Plumbing: Soil pipes and connections, stack, water pipe and connections, lead oakum and bathroom fixtures; hot water heater and tank

to be furnished by others. Labor:

### Group D:

(8) Sheet Metal: Copper gutters, downspouts, flashing. Labor: (9) Electrical Work: Main switch, BX cable, switch boxes, receptacles, transformer, etc. No fixtures included. Labor: (10) Nails and Hardware: Common and wire nails, bolts, damper, ash doors, finish hardware. Labor: (11) Paint Materials: White lead, linseed oil, turpentine. Labor: (12) Misc.: Metal & wood laths, corner bead, insulation. Labor:

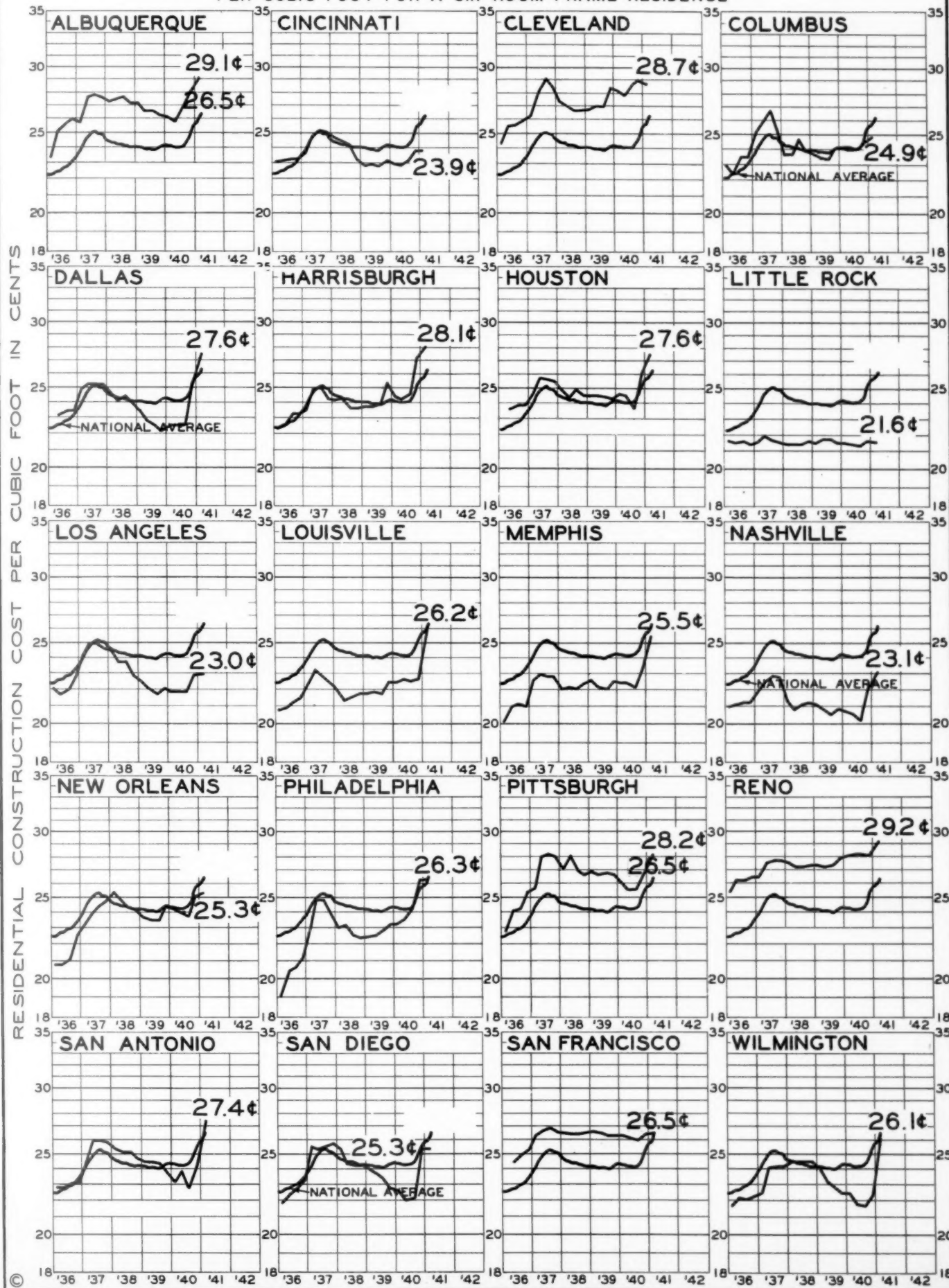
### Group E:

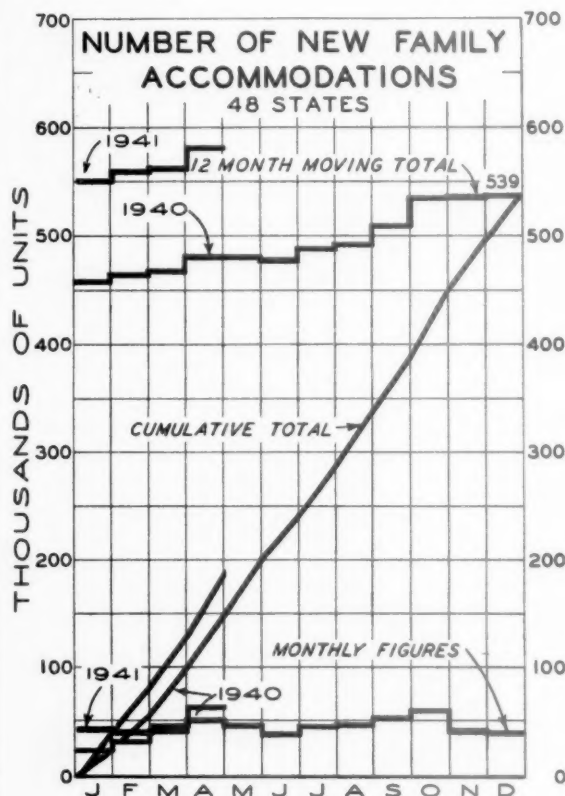
(13) Overhead and profit of subcontractors in plastering, metal work, heating, plumbing, electrical work and tile work. (14) General contractor's profit. (15) Missouri sales tax (now 2% on materials), old age and unemployment tax (federal and state), liability and employees' compensation insurance, fire and tornado insurance, completion bond. (16) TOTAL CONSTRUCTION COST.

	GROUP A				GROUP B				GROUP C				GROUP D				GROUP E				TOTAL						
YEAR	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	TOTAL										
Ja 1937	\$508	\$508	\$111	\$67	\$364	\$186	\$638	\$245	\$539	\$221	\$239	\$160	\$308	\$134	\$59	\$22	\$32	\$57	\$64	\$28	\$104	\$227	\$53	\$355	\$528	\$289	\$6097
Ap 1937	503	508	111	67	423	186	763	245	591	221	246	160	335	134	55	22	30	57	64	31	104	227	53	360	550	295	6342
Jl 1937	500	519	111	67	423	186	772	245	592	221	250	160	332	161	53	22	29	57	64	31	104	227	53	376	556	332	6443
O 1937	500	510	111	67	369	184	745	244	592	221	255	160	330	134	48	22	26	57	65	30	104	223	53	360	541	324	6274
Ja 1938	500	428	103	67	369	162	693	210	591	189	255	160	313	134	48	19	26	57	68	29	88	223	42	344	512	315	5946
Ap 1938	500	428	103	67	343	162	633	210	592	189	231	160	305	134	45	19	25	57	64	27	88	222	42	335	490	310	5786
Jl 1938	516	428	103	67	343	162	631	210	549	169	239	160	285	134	45	19	25	57	64	27	88	221	42	328	489	301	5703
O 1938	516	417	103	67	343	142	631	185	550	167	239	160	283	134	48	17	26	57	64	28	88	221	42	326	484	296	5634
Ja 1939	515	417	103	77	353	142	642	185	525	167	239	160	284	134	49	17	27	57	64	28	88	192	42	329	482	297	5615
Ap 1939	510	561	103	77	345	164	644	219	509	198	239	160	267	134	48	19	26	57	64	29	116	192	61	348	507	329	5926
Jl 1939	516	561	103	77	346	164	639	219	508	198	239	160	271	131	46	19	26	57	64	29	116	191	61	346	507	329	5923
O 1939	510	561	103	77	395	164	713	219	509	198	239	160	285	131	52	19	29	57	65	30	116	193	61	353	522	335	6096
Ja 1940	510	538	103	77	374	158	679	215	567	195	236	160	282	131	58	17	32	57	65	30	93	193	61	352	516	327	6005
Ap 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65	30	93	193	61	352	516	327	6004
Jl 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65	30	93	193	61	352	516	327	6004
Ag 1940	510	556	103	77	415	158	735	215	604	195	236	160	285	161	63	17	31	57	66	30	93	201	69	361	540	341	6278
S 1940	510	556	145	77	440	158	736	215	604	195	236	160	301	161	63	17	31	57	66	30	93	195	69	379	551	345	6400
O 1940	510	542	145	86	494	162	763	218	628	197	254	160	294	161	63	17	31	57	66	32	93	203	75	385	564	351	6551
N 1940	510	542	145	86	493	162	805	218	646	197	254	160	295	161	62	17	27	57	66	32	93	203	75	385	569	351	6611
D 1940	510	640	145	86	493	182	805	243	645	219	242	160	266	161	62	19	27	58	66	32	104	203	78	380	585	375	6786
Ja 1941	515	640	145	86	493	182	808	243	645	219	242	160	266	161	62	19	28	58	67	33	104	203	78	380	585	375	6797
F 1941	515	639	145	86	493	182	753	243	633	219	251	180	269	149	62	19	28	63	69	33	131	203	78	387	583	376	6789
Mr 1941	487	639	145	86	465	182	748	243	633	219	251	180	269	149	62	19	28	63	69	33	131	202	79	388	577	374	6721
Ap 1941	487	639	159	86	463	182	771	243	633	219	251	180	274	149	62	19	28	63	69	33	131	202	79	396	581	376	6775
My 1941	508	639	159	86	448	197	732	265	635	240	250	180	274	149	62	19	23	63	72	33	131	205	79	396	585	381	6811



# RESIDENTIAL CONSTRUCTION COSTS PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE



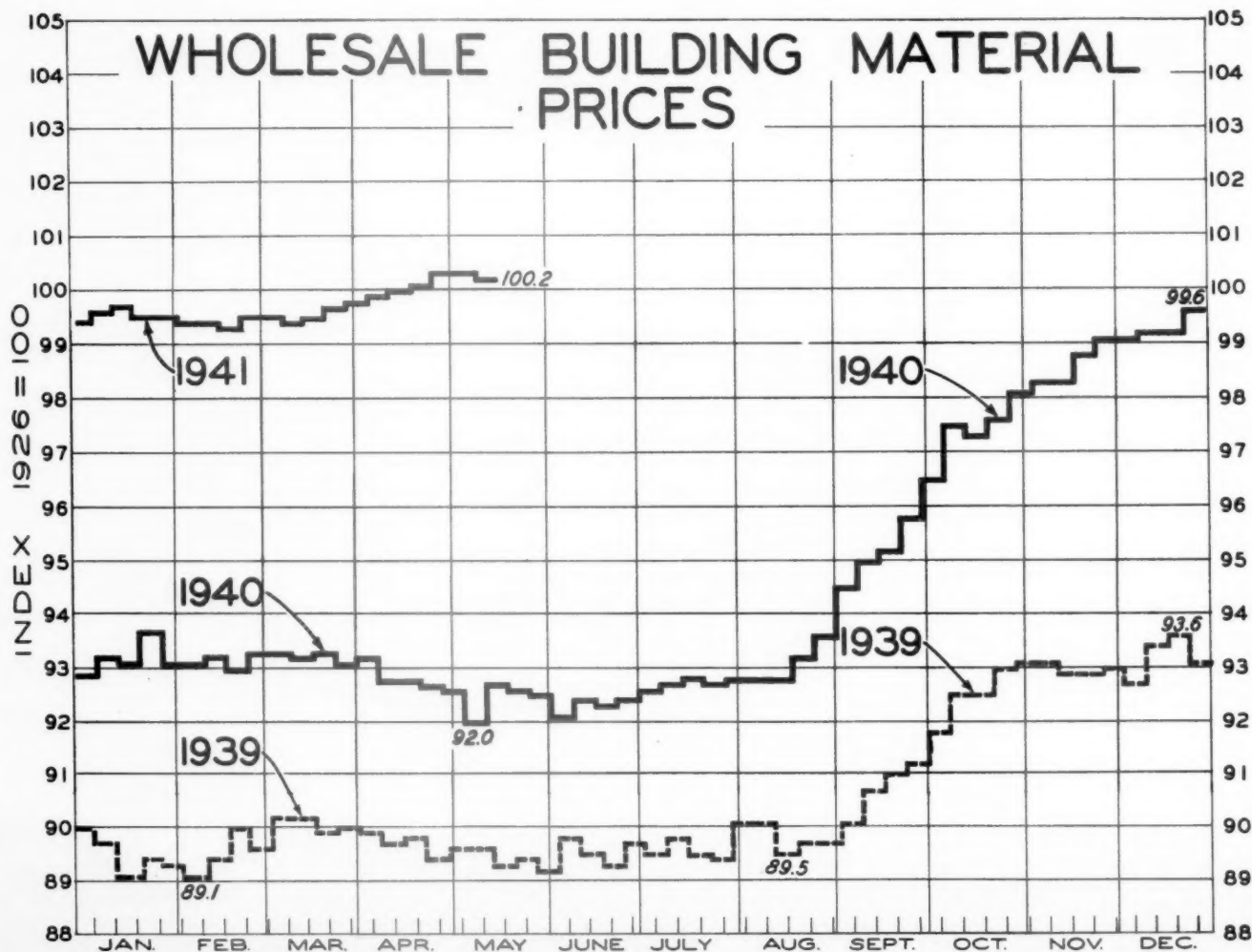


**DWELLING UNITS CONSTRUCTED IN 48 STATES**  
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1939	1940	1941	1939	1940	1941	1939	1940	1941
January	30.1	25.7	40.4	30.1	25.7	40.4	345	461	553
February	29.2	33.7	40.2	59.3	59.4	80.6	359	465	560
March	39.4	42.0	45.9	98.7	101.4	126.5	375	468	564
April	36.6	51.1	63.6	135.3	152.5	190.1	386	482	576
May	49.6	49.1		184.9	201.6		409	482	
June	40.6	38.8		225.5	240.4		422	480	
July	38.1	48.9		263.6	289.3		423	491	
August	46.2	49.4		309.8	338.7		435	494	
September	35.7	53.0		345.5	391.7		435	511	
October	36.1	62.4		381.6	454.1		439	537	
November	42.5	42.7		424.1	496.8		450	538	
December	40.9	41.9		465.0	538.7		465	539	

THE chart to the left and the table above show the number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia. 1940 is indicated in black and 1941 in red.

Charted below are wholesale building material prices by weeks, as compiled by the Bureau of Labor Statistics. The average of these prices is 100.2% of their 1926 level.





MAY 28  
1941

# EXECUTIVE DIGEST

## OF THE CURRENT REAL ESTATE ANALYST REPORTS

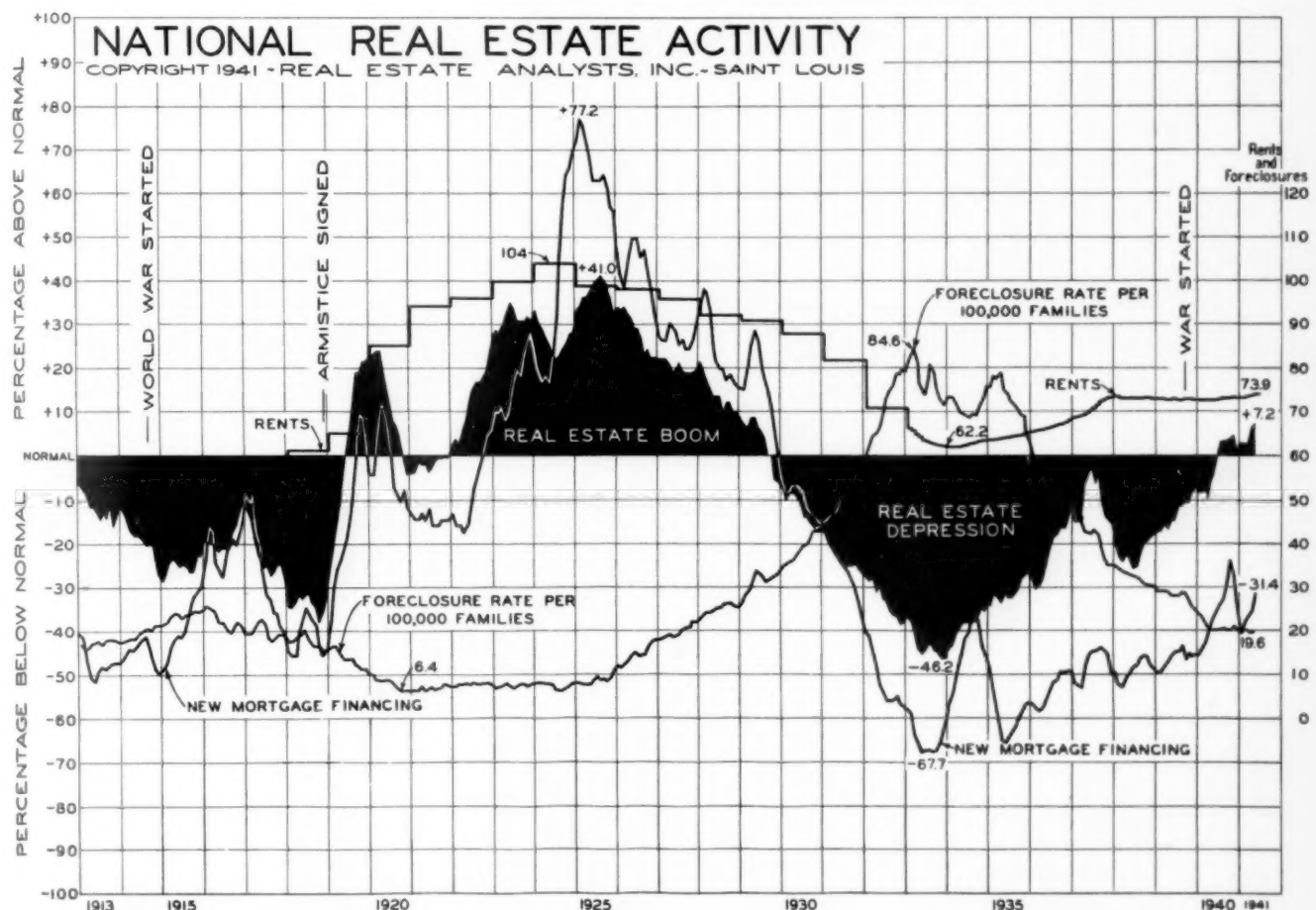
REAL ESTATE ANALYSTS, INC.

*Real Estate Economists, Appraisers and Counselors*

Roy Wenzlick  
Editor

VOLUME X

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THE declaring of an "unlimited national emergency" by the President last night will have the immediate effect of speeding production. It indicates no change in direction but only an effort to move faster in the course on which we started many months ago. In so far as industrial activity in cities is accelerated urban real estate will benefit.

It is our opinion that in so far as is possible the government will endeavor to spread defense orders more evenly than has been the case in the past. Cities which have had relatively little direct business can expect special consideration.

April and May, in most cities, showed the greatest improvement in real estate that we have seen since the twenties. It is quite encouraging to note that the real estate owner and operator in many defense cities is now being called a profiteer. A year ago it seemed to most people associated with real estate that the term "poor credit risk" was apt to continue for some time longer as the most frequent mark of reproach.